

Campbell Resources Inc.

Revised February 12, 1986 (MOC)
 Destroy all previous Basic and White
 cards on this Company

CUSIP Number 134422
 Stock Symbol CCH

Executive Office — Suite 400, 111 Richmond Street West, Toronto, Ontario M5H 2G4

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THE COMPANY is the principal company in a group of related companies producing, developing and exploring for metals and minerals, petroleum and natural gas, coal and other natural resource products, mainly in North America.

Fiscal Year	Shldrs.' Equity	Total Assets	Working Capital	COMPARATIVE DATA					Earns. per Sh.	Price Range†	
				Total Revenue	Cash Flow	Net Inc. Oper.	High	Low			
				000's						— Common Shares* —	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1985▲	96,396	240,553	11,675	95,534	16,469	d108,272	d5.56	7.12	2.80		
1984.....	165,508	370,709	14,246	100,953	20,654	d12,774	d1.39	12.50	5.00		
1983.....	150,406	333,468	10,420	97,460	10,607	2,057	0.24	15.25	9.63		
1982.....	77,722	171,618	3,287	79,193	11,337	180	0.03	11.00	4.65		
1981.....	65,577	138,412	8,537	67,688	9,678	2,763	0.64	20.38	6.88		

†Calendar year. *Classified as class A shares prior to July 14, 1980.

▲At June 30, 1985, and after giving effect to the capital reorganization effective Sept. 11, 1985.

Note—Data herein is for Campbell Resources Inc. (new company following 1983 Reorganization) in 1983 and for Campbell Resources Inc. (predecessor company) in prior years.

CONSOLIDATED CAPITALIZATION AT JUNE 30, 1985▲

Outstanding			%
Long-term debt		\$55,497,000	37
Common stock	24,657,163 shs.	94,108,000	62
Foreign exch. trans. adj.		2,288,000	1

▲After giving effect to capital reorganization effective Sept. 11, 1985.

SUMMARY STATEMENT

For the year ended June 30, 1985, net loss, operations amounted to \$68,821,000 or \$5.56 per common share compared with a net loss of \$12,774,000 or \$1.39 per share for the previous fiscal year. Total revenue declined 5% to \$95,534,000.

Extraordinary loss of \$39,451,000 resulting from a \$27,980,000 write-down of industrial minerals properties (net of deferred income taxes of \$18,500,000) and an \$11,471,000 provision for loss on disposal of certain coal properties in Oklahoma (including Carbonex Coal) and a write-down of other such properties in Kentucky, increased the net loss for the 1985 fiscal year to \$108,272,000 or \$8.59 per share. There were no extraordinary items in the 1984 fiscal year.

The Metals and Minerals Group experienced a decline in revenues during fiscal 1985 due to continuing falling prices, while both the Petroleum and Natural Gas and Coal Groups recorded increased revenue levels due to higher production levels and the strength of the U.S. dollar.

Capital reorganization was completed on Sept. 11, 1985 which resulted in the exchange of all issued and outstanding preference shares for common shares and warrants, the exchange of all issued and outstanding convertible debentures for common shares and warrants and the reduction of Campbell's stated capital by an amount that eliminated the consolidated deficit at June 30, 1985. (For details see Capital Stock Changes on pg. 6)

Sale of 9,000,000 shares of Royex Gold Mining Corporation to International Corona Resources Ltd. was completed on Apr. 30, 1985 for \$25,650,000. Campbell's remaining ownership in Royex is somewhat less than 5% and the company's intentions are to dispose of the remaining holdings.

Acquisition of Smithland Land Company was completed in fiscal 1985. This company holds a large tract of 6,500 acres in eastern Kentucky with 2,400,000 tons of recoverable coal.

All oil and gas interests were consolidated during fiscal 1985 into Inverness Petroleum Ltd., in which Campbell has a 60% equity ownership, through the sale of Campbell's wholly-owned oil and gas properties to Inverness.

N.B. — For quick reference data, see page 2.

The Financial Post

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INFORMATION SERVICE

McGILL UNIVERSITY

QUICK REFERENCE DATA

Major Shareholders—Camp Investments Ltd. held 3,097,329 shares (12.2% interest) and Caisse de depot et placement du Quebec held 2,690,370 shares (10.6% interest) at September 16, 1985.

Incorporation—British Columbia charter, June 7, 1950; continued under CBCA Sept. 8, 1982.

Employees—At June 30, 1985 the company had 437 employees.

Auditors—Ernst & Whinney, C.A., Toronto.

Fiscal Year Ends—June 30.

Annual Report Appeared—In October in 1985.

Annual Meeting—November 12 in 1985.

Listed—CCH, Toronto, Montreal, Vancouver and New York Stock Exchanges.

Shareholders—14,186 at June 30, 1985.

Transfer Agents and Registrars—Montreal Trust Company, Toronto, Montreal, Calgary and Vancouver; The Manufacturers Hanover Trust Company, New York, N.Y.

FP 500 Ranking—466 by sales; 177 by assets.

COMPANY

Campbell Resources Inc. was formed as the result of the 1983 Reorganization of Campbell Resources Inc. (predecessor company), GM Resources Limited, Camchib Resources Inc., and United Asbestos Inc. For details, see 1983 Reorganization, below.

The company is a major resource company engaged directly and through subsidiary and other interests in base-precious metals development and production, industrial minerals development and production, coal development and production, oil and gas exploration, development and production, and various other exploration and exploration financing activities.

The company operates through three major groups as follows:

The Metals and Minerals Group is operated by Camchib Mines Inc. It operates producing copper-gold-silver properties in the Chibougamau area, Que., and a producing asbestos property at Black Lake, Que.; conducts extensive exploration programs in the Chibougamau area, Que., as well as in other areas of Canada, the United States and Mexico; and provides exploration financing for various other companies.

The Petroleum and Natural Gas group is managed by Inverness Petroleum Ltd. (60% owned), which company has producing and other oil and natural gas interests in Canada and the United States and manages Campbell's directly held property interests as well.

The Coal group is operated by Coal Corporation of America Inc., which owns producing and processing facilities in Kentucky, Oklahoma and West Virginia in the United States.

Campbell also has an extensive investment portfolio, which includes a 27.6% interest in Yorbeau Resources Inc., 28.2% voting interest in Meston Lake Resources Inc., and 32% interest in Goldlund Mines Ltd.

METALS AND MINERALS GROUP

Executive Office—Suite 400, 111 Richmond St., W., Toronto Ont. M5H 2G4.

Mine Office—P.O. Box 3400, Chibougamau, Que. G8P 2K9.

The Metals and Minerals Group manages the largest

percentage (51%) of the company's assets. Mining and milling of base and precious metals, particularly gold, and industrial minerals is undertaken in Canada. The group participates and manages mining and exploration ventures in Canada, the United States and Mexico. Current producing operations are gold and copper properties in the Chibougamau area of Quebec and a joint venture with Asarco Inc. for production and sales of asbestos fibre, primarily for the export market. The group also includes a joint venture with Sherritt Gordon Mines for development of a potential phosphate mine to serve domestic and export fertilizer markets.

In 1984 the group was reorganized into four segments; Royex Gold Mining Corporation; Chibougamau; industrial minerals; and the corporate exploration group.

Royex

In fiscal 1984, Campbell reorganized its gold mining interests. Royex Gold Mining Corporation was formed by combining Royex Sturge Mining Limited and Collaton Lake Gold Mines Ltd. In May, 1984, as part of the reorganization, Campbell transferred its gold mining assets to Royex. In return for the transferred assets Royex issued common shares from treasury; the exchange of assets for shares resulted in Campbell owning a 48% interest in Royex as of July 1, 1984.

During fiscal 1985, the company acquired an additional 1,216,000 Royex common shares for a cash consideration of \$4,355,000. On Apr. 30, 1985, Campbell sold 9,000,000 Royex common shares, representing 85% of its holding in Royex to International Corona Resources Ltd. for \$7,200,000 in cash and \$16,650,000 in notes payable by June, 1986, which resulted in a loss of \$5,258,000. Campbell's remaining ownership in Royex is now less than 5%. Management had plans to dispose of the remaining holdings. For further details on Royex, see separate Financial Post card on International Corona Resources Ltd.

Chibougamau Mines

The company has operated producing mines in the Chibougamau area of northwestern Quebec since 1955. Currently there are two producing gold-copper-silver mines in operation. Ore is treated at a centrally located milling and processing plant with 3,500-ton per day flotation capacity and 250-ton-per-day cyanidation capacity.

Henderson Mine—This property has been developed by the #1 four-compartment shaft sunk 793 ft. with four levels; the #2 shaft some 4,200 ft. distant sunk 2,400 ft. with 11 levels between 525 and 1,975 ft.; and a new internal shaft completed in 1982 from 1,800 to 2,775 ft. to develop deep extensions of the ore body. During fiscal 1985, development of new ore zones on the 2,370, 2,545 and 2,720 ft. levels resulted in a 15% increase in the grade of gold and an 18% increase in the grade of copper mined. The mine was brought into production in April 1980. Current production is from the #2 shaft and internal winze which had three additional levels brought into production in 1984, with development continuing on another level.

At June 30, 1985 mineable reserves at Henderson II amounted to 370,000 tons, while mineral inventory was over 4,700,000 tons.

Cedar Bay Mine—This property has been developed by the original shaft sunk 522 ft. with two levels; and a second four-compartment shaft sunk 2,402 ft. with 16 levels. Production started in March 1958 and averaged 289 tons per operating day in fiscal 1984. Development is proceeding on the 650 ft. level, with a similar program for the 500 ft. level scheduled to begin early in fiscal 1986.

At June 30, 1985, mineable reserves at the Cedar Bay mine amounted to 138,000 tons.

Production—From fiscal 1956 to June 30, 1982, production from Chibougamau area mines totaled 642,391,000 lbs. copper, 4,228,000 oz. silver, and 781,000 oz. gold from 20,056,000 tons of ore milled. Commencing in fiscal 1983 only total group production

statistics were presented by the company. A summary of total metal sales is as follows:

Fiscal Year	Copper lbs.	Gold oz.	Silver oz.
1980	9,694,000	26,000	46,000
1981	6,844,000	30,000	35,000
1982	5,982,000	30,000	27,000
1983	4,376,000	23,000	23,000
1984	7,473,000	31,500	32,700
1985	7,129,000	23,900	22,700

Metals Exploration (Chibougamau Area)

An extensive five-to-six year exploration program was undertaken on the company's Chibougamau area properties in 1981. The exploration program has included two major phases—exploration of existing mines, financed from internal sources; and exploration of other properties in the area, financed primarily through joint ventures and through sale of "flow-through" shares to private investors (in fiscal 1984, \$15,000,000 was obtained from this source). Properties of current interest include the following:

S-3 Project (88.5% interest)—The S-3 ore body is located under Lake Chibougamau about 8,000 ft. from the Henderson #1 Mine shaft; it is being developed as a joint venture by Campbell (76%), Tricentral Oils Ltd. and Norcen Energy Resources Ltd. During fiscal 1985, extensive underground exploration was carried out, including 2,000 ft. of drifting and 26,000 ft. of diamond drilling. Current plans are for continued exploration drifting and drilling along strike on the 1,025 ft. level, in addition to the opening up of at least one level above 1,025 ft. to permit a second access to the indicated ore. The S-3 deposit has an estimated potential of 1,260 tons per vertical ft. and is open along strike and at depth.

Proven and probable reserves have been outlined between the 800 and 1,150 ft. levels, totaling 388,000 tons, grading 0.185 oz. gold per ton and 0.54% copper.

Devlin Property—Campbell has 45% interest in the Devlin property which is located on the south shore of Lake Chibougamau some 18 miles from the concentrator. Extensive underground development has been carried out, and the ore body is estimated to contain 1,400,000 tons grading 2.25% copper per ton. The property is currently on standby awaiting improved copper prices.

Meston Lake—Campbell owns a 28.2% voting interest in Meston Lake Resources Inc., owner of the Joe Mann mine, located 30 miles southwest of the Chibougamau camp. The property, which is managed by Campbell, has a mill (currently dormant) with a capacity of 425 tons daily. The Joe Mann mine previously operated at low gold prices, providing in excess of 700,000 tons of ore, grading 0.22 oz. gold per ton. Plans are for a continuation of exploration and to bring the project to the feasibility stage within a year, at which time a production decision will be made.

Yorbeau Resources Inc.—Campbell owns a 27.6% interest in this company, which carries out exploration for precious metals in the Val d'Or camp, in northwestern Quebec. During 1985, Yorbeau acquired the Astoria and Ellison properties, in which it can earn an 80% and approximately 50% interest, respectively. Yorbeau manages both projects, which have the potential for early development into production.

Lac Chib Project—This project is designed to determine the ore-bearing potential of the Lake Chibougamau Shear Zone at depth and to assure future operations in the Lake Chibougamau area. Cost of the project is estimated at \$25,000,000, to be expended over a five-year period. As a first step, sinking of a 4,500-ft. exploration shaft on the eastern shore of the lake commenced in 1984; pattern drilling was to follow.

Obalski Property—This property is located four miles from the company's concentrator. In 1983, four known gold veins were explored and a decline to the 125-ft. level was started to further evaluate the zone. Exploration carried out on this deposit during fiscal

1985 defined an encouraging gold zone, which was tested over a strike length of 350 ft.

Industrial Minerals Operations

As a result of the 1983 Reorganization, Campbell now shares in the net operating proceeds from the Black Lake, Quebec, asbestos mine operated by Lac d'Amiante du Québec Limitée.

Black Lake—Under the joint venture arrangement with Lac d'Amiante du Québec, which extends to 2051, Campbell shares in the net operating proceeds from the Black Lake asbestos mine within a range of 50%-60% based on a formula related to proceeds from sales.

The Black Lake property comprises mineral rights covering in excess of 1,142 acres and surface rights covering some 3,283 acres near the town of Black Lake, some five miles from Thetford Mines, Que. The property is equipped with a mill designed to produce 170,000 tons asbestos per year. Open pit mining operations commenced in mid 1958. In fiscal 1985, 4,383,000 tons were treated to produce 143,000 tons asbestos fibre.

At June 30, 1985, reserves were estimated at 91,800,000 tons with an average yield of 3.9% fibre.

The company, Asbestos Corporation Limited, Bell Asbestos Mines Limited and Lac d'Amiante du Québec Ltée signed a memorandum of intent during 1985 to consider combining their Thetford Mines operations in a partnership.

Corporate Exploration

This group is responsible for the exploration of properties adjacent to existing mining locations in addition to other ventures.

Martison-Cargill Joint Venture—The company has a 50% interest in the joint venture project with New Venture Equities Ltd. and Sherritt Gordon Mines to explore and develop a major phosphate deposit located near Hearst in northern Ontario. Current work, which is scheduled for completion by the end of 1985, includes mining sufficient material by open pit and milling in a modular pilot plant to produce 3,000 tons of phosphate concentrate. Drill-indicated reserves on part of the property are estimated at 57,000,000 tonnes grading better than 23% phosphate pentoxide, 0.4% niobium pentoxide, and 0.4% rare earth oxides. This reserve base is considered sufficient for 20 years' production at an initially proposed mining rate; potential for the entire deposit is in excess of 200,000,000 tonnes. A feasibility study for the Cargill deposit is planned for 1986.

Cerro de Oro Property—(49% interest). Initial work conducted by Campbell on this property in the State of Sonora, Mexico, indicated substantial free gold mineralization and an open pit potential of 15,000,000 tons grading 0.05 to 0.06 oz. gold per ton. Metallurgical heap leach tests indicated recoveries in the order of 75% with a relatively short leach time. The property is undergoing a series of studies by the Mexican company, Industrias Penoles.

Washington Mine—Through its 29% interest in Minera Trans-Rio S.A. Campbell has interest in this silver-copper-tungsten-molybdenum property in the State of Sonora, Mexico with proven reserves of silver, copper, tungsten and molybdenum. The project is on standby pending an improvement in world metal prices.

Minerals de Sotula—The company holds a 49% interest in this company, which has purchased a small underground mine reported to contain 30,000 tons of gold ore grading 2 oz. gold per ton between 100 and 300 ft. levels. Campbell is reviewing the caved in shaft and dewatering the mine to permit sampling.

COAL GROUP

Coal Corporation of America, Inc.—Suite 204, 811 Corporate Drive, Lexington, Ky. 40503.

In December, 1984, the company approved a plan to discontinue its Oklahoma coal operations and to write down certain other coal properties in Kentucky. Effective Apr. 16, 1985, Campbell sold all of its Oklahoma coal properties, equipment and liabilities for

\$1,320,000 in cash, Campbell common shares (subsequently cancelled) with a value of \$1,403,000 and notes receivable aggregating \$290,000 due in 1988, resulting in a loss of \$3,615,000.

During fiscal 1985, 908,000 tons of coal were sold. Revenues amounted to \$41,378,000 and income from operations totaled \$3,774,000.

Minable, recoverable coal reserves at June 30, 1985 amounted to 23,700,000 tons, at various sites in the United States.

Coal Corporation of America, Inc. continues to operate the following divisions:

Shaker Coal Division—Produces medium to low sulphur coal directed primarily to the electric power generation industry. Production amounted to 521,000 tons during fiscal 1985, an 11% decrease from the previous year, reflecting the current program of serving secure and long-term contracts.

Smithland Land Company—This company which Campbell acquired during fiscal 1985, holds a large tract of land comprising 6,500 acres in eastern Kentucky with 2,400,000 tons of recoverable coal. Development drilling and the process to meet permit requirements have commenced with mining start-up projected for mid-1986.

Peaker Run Coal Company—Acquired in October, 1983, Peaker, located in West Virginia, ships its coal to a local customer and to Canada. Reserves total 10,000,000 tons of clean, recoverable high quality coal primarily in the strip mining category.

Total output in fiscal 1985 amounted to 167,000 tons. A five-year contract for sale of an additional 8,000 tons per month was obtained at the end of the third quarter of fiscal 1985. Reserves were built up to allow Peaker Run to produce and ship at a substantially increased annual rate of up to 500,000 tons during 1986. Cowan Coals continues to transload Peaker Run's coal for rail shipments, when required.

The Coaldock, Inc.—This is a joint venture project with a third party, with operations expected to commence in late 1985. The dock will have multiple storage and blending capability, in addition to a fully integrated stoker facility. Coals from Shaker Coal and Smithland Land Company will be handled continually and arrangements can be made to crush and ship tonnage for third party customers.

PETROLEUM AND NATURAL GAS GROUP

Inverness Petroleum Ltd.—Suite 1410, Suncor Tower, 500 4th Ave. S.W., Calgary, Alta. T2P 2V6.

Campbell's oil and gas operations are conducted by Inverness Petroleum Ltd. in which Campbell has a 60% equity ownership.

Effective Dec. 1, 1984, all of Campbell's oil and gas interests were consolidated into Inverness Petroleum through the sale of Campbell's wholly-owned petroleum and natural gas properties to Inverness.

Arrangements between Campbell, Bonanza Resources Ltd. and Inverness Petroleum Ltd. following the offer by Bonanza to acquire all outstanding shares of Inverness were not approved by the boards of directors of the companies involved by Jan. 31, 1985 and the offer was therefore terminated.

Landholdings increased to 2,400,000 gross (480,000 net) acres at June 30, 1985.

Average daily production of Inverness increased to 1,239 bbls. of oil (up 11% from 1984). Inverness now produces approximately 9,312 mcf. of natural gas per day.

Proven and probable reserves at June 30, 1985 were 7,000,000 bbl. oil and 56,000,000 mcf. natural gas.

In fiscal 1984, Inverness acquired Daley Resources Ltd., its limited partner Energy Land Acquisition Program No. 1 and a 20% interest in States Exploration Ltd.

During fiscal 1985, Inverness participated in 20 wells in the United States and 68 wells in Canada, resulting in 44 oil wells, 16 gas wells and one service well. The company substantially increased its international holdings during the year, including significant acquisitions in the Paris Basin of north central France where major new fields were discovered during the year. For further

details, see separate Corporation Service card on Inverness.

SUBSIDIARIES

Camchib Mines Inc.—Wholly owned. Formed in 1983 as an amalgamation of Campbell Resources Inc. (old company), Camchib Resources Inc., and United Asbestos Inc. Operates the parent company's Metals and Minerals Group.

Inverness Petroleum Ltd.—(formerly CCH Resources Ltd.)—Campbell holds a 60% interest in this company which is engaged in exploration for and development and production of oil and gas in Canada and the United States. For details, see separate Corporation Service Basic Card on this company.

Coal Corporation of America Inc.—Wholly owned. Operates the parent company's Coal Group.

Giant Mascot Explorations Limited (formerly G.M. Explorations Ltd.)—Wholly owned.

ASSOCIATED COMPANIES

Goldlund Mines Ltd.—Holds 32% interest in this company, which holds a former producing gold property in the Sioux Lookout area of Ontario.

Meston Lake Resources Inc.—Interest in this company was increased to 28.2% in fiscal 1985 from the 24.4% originally acquired during fiscal 1984. Meston Lake is the owner of the Joe Mann mine, near the Chibougamau camp. For other details, see Metals Exploration.

States Exploration, Ltd.—Through Inverness, owns 20% of the common share ownership.

Yorbeau Resources Inc.—Holds 27.6% interest in this company, which carries out exploration for precious metals in the Val d'Or camp in northwestern Quebec. For other details, see Metals Exploration.

HISTORY

Campbell Resources Inc. (new company) resulted from the 1983 Reorganization of the operations of Campbell Resources Inc. (old company), GM Resources Limited, Camchib Resources Inc., and United Asbestos Inc. Legally, the new company was a continuation of GM Resources Limited (continued under CBCA, 1982), which under the Reorganization changed its name to Campbell Resources Inc. (new company). However, as a result of the share exchanges involved, control of the combined companies (including GM Resources) passed to the shareholders of Campbell Resources Inc. (old company), with the result that Campbell Resources Inc. (old company) was deemed the acquirer for accounting purposes. Details of the 1983 reorganization are as follows:

As of Apr. 7, 1983, with effect from Apr. 1, 1983, Campbell Resources Inc. (predecessor company), Camchib Resources Inc., GM Resources Limited, and United Asbestos Inc. entered into an acquisition/amalgamation agreement. Under the agreement, GM Resources acquired Campbell, Camchib, and United on a specified share exchange basis which included cancellation of inter-company holdings (for exchange bases, see Capital Stock and Changes in Capital Stock). Campbell, Camchib, and United then amalgamated, adopting the name Camchib Mines Inc. GM Resources changed its name to Campbell Resources Inc. (new company).

Legally, GM Resources became the parent of Camchib Mines Inc. However, as a result of the share exchanges involved, control of the combined companies, including GM Resources, passed to the former shareholders of Campbell (predecessor company), with the result that Campbell was deemed to be the acquirer for accounting purposes.

The 1983 annual report for Campbell Resources Inc. (new company) was prepared as a business combination treated, for accounting purposes, as an acquisition by Campbell (predecessor company) of control of the assets and businesses of the three other companies. Consistent with this method of accounting, comparative financial information disclosed in the 1983 annual report was for Campbell Resources Inc. (predecessor company).

The result of the 1983 Reorganization was that the operations of Campbell Resources Inc. (predecessor company) were continued as if the other three companies were acquired by Campbell; but the new company retained the charter (B.C. June 7, 1950) and CBCA continuance of GM Resources.

Campbell Resources Inc. (old company) had originally been incorporated in Quebec on May 10, 1950, as Campbell Chibougamau Mines Ltd. On Sept. 2, 1980, its name was changed to Campbell Resources Inc.

In fiscal 1983, Campbell received 250,000 common shares of Cullaton Lake Mines Ltd. in exchange for guaranteeing \$2,500,000 of Cullaton bank borrowings. In June, 1983, through the exercise of an option acquired in fiscal 1982, Campbell increased its holding in Cullaton common shares to 5,650,000 shares from 250,000 shares and acquired 2,000,000 preferred shares. Campbell was required to make a one time payment of \$700,000 in fiscal 1985. Prior to June 30, 1983, Campbell exchanged the 5,650,000 Cullaton common shares for 3,200,000 common shares in Royex Sturge Mining Limited, representing a 40.9% interest. This share exchange resulted in a realized gain of \$5,137,000 (\$3,800,000 net of deferred income taxes).

Campbell acquired a 55% interest in Ebex Resources Ltd., in May, 1984, in exchange for 250,000 common shares of the company and natural resource properties with an approximate market value of \$1,200,000.

Subsequent to the year end, all the shareholders of Ebex, including Campbell, approved a proposed amalgamation of Ebex and Mascot Gold Mines Limited, with the resultant effect of transferring Campbell's interest in Ebex to Royex Gold Mining Corporation.

Also during fiscal 1984, the company acquired 5,000,000 common shares of Goldlund Mines Ltd. in exchange for 150,000 common shares and the guarantee of Goldlund's \$4,500,000 bank line of credit and other guarantees for a total value of \$3,754,000. In addition, Campbell assumed management of Goldlund's operating mine on a full cost recovery basis, plus a management fee. Effective July 1, 1984, Campbell transferred its Goldlund common shares and its management contract to Royex. No gain or loss was incurred on the transfer. The Goldlund mine ceased operations in fiscal 1985 and Campbell provided for the honouring of Goldlund guarantees and certain advances and receivables from that company for a total value of \$5,124,000.

During fiscal 1984, the company acquired 700,000 common shares and 200,000 class B shares of Meston Lake Resources Inc. for 70,000 Campbell common shares with an ascribed value of \$1,050,000, cash of \$450,000 and 100,000 common shares of Inverness valued at \$6 per share for a total value of \$2,100,000, representing a 24.4% voting share interest at June 30, 1984. In addition, Campbell had an option to purchase 1,200,000 common shares at \$2 per share to Dec. 15, 1986.

Also in fiscal 1984, Campbell increased its interest in Royex Sturge to 44.3% from 40.9%, as a result of the exchange of 650,000 Cullaton preferred shares for 475,000 common shares of Royex Sturge. Campbell sold its remaining 350,000 shares to third parties during fiscal 1984, which resulted in a gain of \$1,584,000. In addition, as part of a reorganization of Campbell's gold mining interests, Royex Sturge and Cullaton combined to form Royex, in which Campbell's interest in the combined entity at June 30, 1984 was 27.8%. As part of the reorganization, Campbell transferred to Royex, effective July 1, 1984, its interests in Mascot and Goldlund, its management contracts associated with the operations of Cullaton, Goldlund and Renabie Mines (1981) Limited and the 51% earned interest available to Campbell in the Rich Gulch property of Inca Resources, for Royex common shares. Campbell's investment in the issued and outstanding common shares of Royex increased to 48%.

The company acquired a common equity interest in Reford Resources Inc. during fiscal 1984. Reford and Yorbeau Mines amalgamated in February, 1984 to form

Yorbeau Resources Inc., which resulted in Campbell holding a 25.9% interest at that date. During fiscal 1984 and 1985, Campbell invested further amounts of \$1,350,000 and \$540,000 in Yorbeau. Campbell's equity interest in Yorbeau was reduced to 21.5% at June 30, 1985, from 27.6% previously, as a result of Yorbeau's July, 1985 offering.

During fiscal 1985, the company acquired an additional 1,216,000 common shares of Royex for \$4,355,000. In addition, upon amalgamation of Royex and Pezamerica Resources Corporation, Campbell exchanged a minor holding of Pezamerica common shares for 466,500 Royex common shares. No gain or loss was recognized on the transaction.

On Apr. 30, 1985, Campbell sold 9,000,000 Royex common shares, representing 85% of its holding in Royex to International Corona Resources Ltd. for \$7,200,000 in cash and \$16,650,000 in notes payable by June, 1986, which resulted in a loss of \$5,258,000. Campbell's remaining ownership in Royex as at June 30, 1985 was considerably less than 5%.

Concurrent with the Royex sale, effective June 30, 1985, Campbell reacquired its interests in Goldlund Mines Ltd. from Royex and assumed Royex's guarantee of \$2,500,000 of Goldlund's bank debt for a cash payment to Campbell by Royex of \$1,400,000.

During fiscal 1985, the company exercised its options on 375,000 common shares of Meston Lake Resources Inc. for a cash consideration of \$750,000. Campbell surrendered its remaining options on 825,000 Meston Lake common shares at \$2 in exchange for options, expiring Dec. 15, 1987, to purchase 500,000 Meston Lake common shares at \$3 per share.

ACCOUNTING CHANGES

Changes 1984—In fiscal 1984, the company changed its method of recognizing revenue from the chibougamau floatation circuit to match revenues and deliveries more appropriately in compliance with predominant industry practice. Campbell also changed its method of accounting for flow-through shares to more accurately match exploration activities in the period in which they occur. Further changes in 1984 include: the adoption of the recent CICA recommendations on accounting for foreign currency translation on a prospective basis; and the application of new accounting methods to have a uniform basis of accounting for the cost of repairs and maintenance in Campbell's wholly-owned coal subsidiaries. The changes were applied on a retroactive basis, with the exception of the foreign currency translation change, resulting in a decrease in 1983 net income of \$225,000 or three cents per share.

Changes 1983—In fiscal 1983, the company restated its accounts to reflect a reorganization and consolidation of its coal operations. As a result of these changes, net income for the year ended June 30, 1983, was increased by \$485,000, or six cents per share; and net income for the year ended June 30, 1982 and retained earnings at June 30, 1982, were reduced by \$461,000, or eight cents per share, from amounts previously reported.

Changes 1982—In fiscal 1982, Campbell adopted the equity method of accounting for its investment in United Asbestos Inc. This basis of accounting was retroactively applied to the previous year, with the result that net income for the year ended June 30, 1981, investment in United at June 30, 1981, and retained earnings at June 30, 1981, were all increased by \$424,000 (10 cents per share) from amounts previously reported.

As a result of a capital reorganization in fiscal 1982, under which par value of common shares was changed from \$1 to no par, amounts previously classified as capital surplus (\$43,926,000) were reclassified as ascribed value of capital stock for purposes of the financial statement presentation.

Changes 1981—In fiscal 1981, a subsidiary retroactively changed its method of accounting for oil and gas production equipment, as a result of which the company's net income for fiscal 1980 was reduced by \$184,000.

Changes 1980—In fiscal 1980, the company retroactively adopted an amortization policy for deferred mining development costs. The change resulted in the restatement of 1979 net income to \$1,286,000 (a reduction of \$27,000), and retained earnings to \$15,646,000 (a reduction of \$2,469,000).

OFFICERS AND DIRECTORS

Officers—R. L. Lister, pres. & chief exec. officer; J. C. Jenkins, sr. v-p, Coal ops.; C. A. Krause, v-p, expl.; I. R. Mills, v-p, finance; M. J. Stendon, v-p, corp. & legal services & asst. sec.; M. I. Gottlieb, sec.-treas.; J. D. H. Patterson, asst. treas.; R. R. Petticrew, contr.

Directors—R. L. Lister, M. I. Gottlieb, S. P. Ogryzlo, J. D. Beatty, Toronto; D. Hugh Morgenson, Calgary; H. N. Borts, J. D. Raymond, Bernard St-Aubin, Alvin Schacter, Montreal; G. G. Ross, Wolcott, Vermont.

Montreal Office—Suite 1434, 800 Dorchester Blvd. W., Montreal, Que. H3B 1X9.

Calgary Office—Suite 1410, Suncor Tower, 500 4th Ave. S.W., Calgary, Alta. T2P 2V6.

Mine Office—P.O. Box 3400, Chibougamau, Quebec G8P 2K9.

CAPITAL STOCK

(As at June 30, 1985A)

	Author.	Outstand.
Common	unlimited	\$24,657,163 shs.

Note—Under the terms of two private placements, in connection with the 1985 exploration program, the company is committed to issue 492,305 common shares no later than Dec. 31, 1985.

▲After giving effect to the capital reorganization on Sept. 11, 1985.

†Excludes shares issued on conversion of \$2,500,000 Series 2 Debenture.

Options—At June 30, 1985, 191,250 shares were reserved for options under the share option plan. Options are exercisable to March, 1990 at prices ranging from \$6 to \$14.75 per share.

In addition, an option was outstanding for the issuance of \$1,000,000 flow through common shares to a shareholder, at market price at the time of exercise until Nov. 1, 1985.

Warrants—As a result of the capital reorganization, 5,959,326 warrants were issued. Each warrant entitles the holder to purchase one common share at a price of \$6 per share from Dec. 31, 1986 to Dec. 31, 1988.

Common—One vote per share.

CHANGES IN CAPITAL STOCK

Campbell Resources Inc. (new company) has an authorized capital comprising an unlimited number of preference and common shares. At June 30, 1983, there were 6,004,320 series 1 preference, 408,000 series 2 preference, 272,000 series 3 preference, and 10,666,433 common shares outstanding.

Preference shares had been issued as follows: 1,029,407 series 1 preference shares in exchange for preference shares of GM Resources Limited; 4,974,913 series 1 preference shares in exchange for common shares of United Asbestos Inc.; 408,000 series 2 preference and 272,000 series 3 preference shares in exchange for a like number of series A and B preferred shares, respectively, of Camchib Resources Inc.

Common shares had been issued as follows: 6,944,562 shares in exchange for common shares of Campbell Resources Inc. (old company share-for-share); 1,235,288 shares in exchange for common shares of GM Resources Limited (one new-for-five old); 874,624 shares in exchange for common shares of Camchib Resources Inc. (six new-for-ten old); 1,492,475 shares in exchange for common shares of United Asbestos Inc. (three new-for-ten old); 19,485 shares issued to employees as bonuses; and 100,000 shares issued on acquisition of interest in Cullaton Lake Gold Mines Limited.

In fiscal 1984 the company issued common shares as follows: 1,000,000 in a private placement for cash; 645,000 on the acquisition of Peaker Run Coal Company, 55% of Ebex Resources Ltd., 32% of Goldlund

Mines Ltd., and 24.4% of Meston Lake Resources Inc.; 243,919 issued as a stock dividend; 156,083 issued on conversions, exercise of warrants and under employee incentive plan; net of 150,000 shares representing Campbell's pro rata interest in its own shares held by Ebex.

Preference share changes during fiscal 1984 were as follows: 89,607 series 1 shares purchased and cancelled; 32,070 series 2 shares converted into common shares; 43,780 series 3 shares converted into common shares; the issuance of 367,500 series 4 and 367,500 series 5 shares under exploration fund programs. Common share changes were as follows: 645,000 shares issued on the acquisitions of majority-owned and associated companies; 1,000,000 shares issued for cash under terms of a private placement memorandum; 156,083 shares issued on conversions, exercise of warrants and under employee incentive plan; and 243,919 shares were issued as stock dividends.

At June 30, 1984 there were 5,914,146 series 1 preference, 375,930 series 2 preference, 228,200 series 3 preference, 367,500 series 4 preference; 367,500 series 5 preference; and 12,711,435 common shares outstanding.

In November, 1984, a special resolution of shareholders was approved, consolidating the issued and outstanding series 1 preference shares on a 1-for-5 basis, redesignating the series 1 shares as series A preference shares and changing the dates of payment of the semi-annual dividends to Jan. 1 and July 1, commencing on Jan. 1, 1985.

During fiscal 1985, preference share changes were as follows: 17,384 series 1 shares were purchased and cancelled; 18,900 series 2 shares were converted into common shares; 23,400 series 3 shares were converted into common shares; 11,375 series 4 shares were converted into common shares; and 18,350 series 5 shares were converted into common shares. Common share changes were as follows: 680,656 shares were issued in connection with the 1984 exploration program; 670,295 shares were issued in connection with the 1985 program; 85,212 shares were issued on conversions and under the employee incentive plan; 120,370 shares were issued for payment of interest on Series 2 convertible debentures; and 250,000 shares were cancelled in connection with consideration received on sale of certain coal properties.

At June 30, 1985, there were 1,165,445 series 1 preference, 357,030 series 2 preference, 204,820 series 3 preference, 356,125 series 4 preference and 349,150 series 5 preference shares outstanding. The total number of common shares outstanding at the same date was 14,017,968.

On Sept. 11, 1985, the shareholders approved a capital reorganization of the company, which resulted in the exchange of all issued and outstanding preference shares for common shares and warrants; the exchange of all the issued and outstanding convertible debentures for common shares and warrants; and the reduction of the company's stated capital by an amount that eliminated the consolidated deficit at June 30, 1985. The exchange ratios for the preference shares and convertible debentures were as follows:

Preference Shares:

Series A—3.8 common shares and 1 warrant for each preference share.

Series 2—1.6 common share and 0.5 warrant for each preference share.

Series 3—0.8 common share and 0.5 warrant for each preference share.

Series 4—2 common share and 0.75 warrant for each preference share.

Series 5—1 common share and 0.75 warrant for each preference share.

Convertible Debentures:

Series 1 and 2: 1 common share and 0.75 warrant for each \$5 principal amount.

Series 3: 1 common share and 1 warrant for each \$5 principal amount.

All warrants are exercisable to purchase common stock at \$6 per share from Dec. 31, 1986 to Dec. 31, 1988.

Subsequent to the fiscal year end and before the Sept. 11, 1985 meeting, the \$2,500,000 Series 2 convertible debentures received on exchange of 300,000 Inverness Petroleum Ltd. shares, were sold for cash of \$1,600,000.

As a result of the capital reorganization, the number of common shares issued and outstanding increased to 25,157,000, including the shares issued on the conversion of the Series 2 debentures. There were 5,939,326 warrants issued as a result of the capital reorganization, including the warrants issued on conversion of the Series 2 debentures. An additional 34,288 common shares were issued pursuant to a private placement.

PRICE RANGE OF STOCK Common

Year	High	Low	Year	High	Low
1983*	\$15.25	\$9.63	1985	\$7.12	\$2.80
1984	12.50	5.13			

*From June 13, when listed.

Ser. A Preference

Year	High	Low	Year	High	Low
1983*	\$4.25	\$3.40	1985†	\$17.50	\$11.00
1984	20.25	16.34			

*Listed June 13.

†Adjusted throughout year to reflect 1-for-5 consolidation, Nov. 15.

†To Sept. 19, when delisted.

Warrants (New)

Year	High	Low
1985†	\$0.45	\$0.35

†Listed Sept. 20; to Oct. 30, 1985.

Note—For price ranges for Campbell Resources Inc. (old company), GM Resources Limited, Camchib Resources Inc. and United Asbestos Inc., see Historical Summaries.

DIVIDENDS

Series A Preference (formerly Series 1)—Entitled to cumulative dividends of \$2.50 per share per annum (50 cents prior to 1-for-5 consolidation, Nov. 15, 1984), payable semi-annually. Dividend of \$1.25 per share was paid Jan. 1, 1985; the July 1 dividend was not declared. Previously, 25 cents per share was paid Jan. 4, 1984 (initial) and June 29, 1984.

Series 2 Preference—Was entitled to cumulative dividends of 30 cents per share per annum, payable annually.

Series 3 Preference—Was entitled to cumulative dividends of 30 cents per share per annum, payable annually.

Common—Campbell Resources Inc. (new company) paid an initial dividend in the form of a 2% stock dividend equivalent to 22 cents per share June 8, 1984.

Predecessor company Campbell Resources Inc. paid 25 cents per share Sept. 30, 1974.

For a record of dividends paid by GM Resources Limited and United Asbestos Inc., see Historical Summaries on these companies.

Predecessor company Camchib Resources Inc. paid no dividends.

LONG-TERM DEBT

At June 30, 1985, long-term debt of Campbell Resources Inc. totaled \$77,567,000 (including \$2,069,000 due in one year). Subsequent to June 30, the convertible debentures were exchanged for common shares and warrants. Details of long-term debt prior to the capital reorganization are as follows:

13% Convertible Debentures, Series 1 (originally issued by Camchib Resources Inc.)—Dated Feb. 11,

1982; due Jan. 31, 1989. Authorized, issued and outstanding, \$9,000,000. Convertible into common shares of Campbell Resources Inc. (new company) at \$12.50 per share to maturity. Debentures may be redeemed under certain conditions at the option of Camchib Mines at any time after Jan. 31, 1986, subject to a minimum redemption of the lesser of \$3,000,000 or the total of all series 1 debentures then outstanding. Debentures were privately placed and are secured by a floating charge on all Camchib Mines' assets and undertakings.

13%-20% Convertible Debentures, Series 2 (originally issued by Camchib Resources Inc.)—Dated Mar. 31, 1982; due Mar. 31, 1992. Interest payable at rates from 13% to 20% determined on a formula basis with reference to the prices of copper and gold (effective rate at June 30, 1984, 13%). Authorized and issued, \$10,000,000; outstanding at June 30, 1985, \$7,500,000. Subsequent to June 30, \$2,500,000 of debentures were exchanged for 300,000 Inverness common shares held by Campbell. The outstanding debentures were convertible into common shares of Campbell Resources Inc. (new company) at \$12.50 per share to Mar. 31, 1989, and thereafter into a maximum 450,000 Campbell shares at \$16.67 per share to maturity. Redeemable in whole or in part under certain conditions at any time after Jan. 31, 1986 at the option of the company. Camchib Mines is required to establish a sinking fund in each of the years 1987-91 sufficient to retire 10% of the aggregate amount of series 2 debentures outstanding at Sept. 30, 1986, less 10% of the principal amount of debentures redeemed or converted thereafter. Debentures were privately placed and are secured by a floating charge on all Camchib Mines' assets and undertakings.

10% Convertible Debentures, Series 3 (formerly 10% convertible debentures, series A, of Camchib Resources Inc.)—Due Nov. 15, 1990. Authorized and issued \$6,000,000, and outstanding \$5,570,000. During fiscal 1984, \$430,000 of debentures were converted into 51,615 Campbell common shares. The outstanding debentures were convertible into 668,385 common shares of Campbell Resources Inc. (new company) at \$8.33 per share to maturity. Not redeemable prior to Nov. 15, 1984; but redeemable under certain conditions at the option of Camchib Mines. Company is required to establish a sinking fund sufficient to retire in each of the years 1985-89 an amount equal to \$600,000, less 10% of the principal amount of debentures previously redeemed or converted. Debentures were privately placed and are secured by a floating charge on all Camchib Mines' assets and undertakings.

Other Debt outstanding at June 30, 1985, totaled \$55,497,000, including \$31,531,000 in loans of Camchib, of which \$30,000,000 is a term loan bearing interest at prime plus ½% of 1% per annum prior to July, 1987 and at prime plus ¼% per annum thereafter; loan is repayable in quarterly instalments of varying amounts between Sept. 30, 1987 and June 30, 1992, inclusive; \$10,092,000 in debt of Coal Corporation, repayable in varying amounts between Sept. 30, 1985 and June 30, 1990 and bearing interest at the U.S. Bank prime rate; \$1,858,000 in instalment equipment loans; \$1,265,000 in other loans; \$10,149,000 in bank production loans; and \$602,000 in gas production prepayments.

Unused Line of Credit available to the company and its majority-owned companies totaled approximately \$10,558,000 at June 30, 1985.

Repayments—Estimated sinking fund and principal repayments in the next five fiscal years are as follows: \$2,069,000 in 1986; \$4,884,000 in 1987; \$7,674,000 in 1988; \$7,956,000 in 1989; and \$9,797,000 in 1990.

INTERIM EARNINGS*

Fiscal Year	3 months			6 months			9 months		
	Revenue	Net Inc. Oper.	Earns. per Sh.	Revenue	Net Inc. Oper.	Earns. per Sh.	Revenue	Net Inc. Oper.	Earns. per Sh.
	\$000's		\$—	\$000's		\$—	\$000's		\$—
1979 ..	3,068	342	0.08	5,349	453	0.10	9,545	1,028	0.24
1980 ..	5,010	933	0.21	10,967	2,111	0.48	19,462	9,419	1.09
1981 ..	8,096	1,238	0.28	13,983	8,721	0.41	27,103	10,386	0.75
1982 ..	19,542	d157	d0.03	37,575	142	0.03	58,294	596	0.10
1983 ..	18,033	d1,303	d0.19	34,969	d1,641	d0.24	70,504	d1,848	d0.26
1984 ..	25,644	104	0.01	51,217	d1,031	d0.23	76,031	d3,665	d0.54
1985 ..	27,636	d2,601	d0.27	53,685	d59,563	d4.82	77,466	d61,802	d5.05

*For Campbell Resources Inc. (predecessor company) to June 12, 1983, and for Campbell Resources Inc. (new company following 1983 Reorganization) from June 13, 1983.

■ As reported in quarterly report dated Mar. 31, 1984.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended June 30

	1985	1984	1983	1982	1981	1980	1979
	\$000's						
Source of Funds							
Operations	16,469	20,654	10,607	11,337	9,678	10,583	3,445
Loan from Prov. of Que. ....	.....	.....	.....	.....	.....	71	185
Issue shares	▲92	18,363	71,792	11,881	14,000	.....	.....
Issue shs. of subsid.	1,006	3,346	14,403	947	20,062	.....	.....
Issue l.-t. debt	13,201	13,433	11,862	40,845	.....	.....	.....
Sale of invests. (net)	29,187	8,773	32,554	.....	.....	8,547	.....
Sale of assets .....	.....	.....	.....	717	.....	146	238
Exploration funds	15,193	15,092	.....	.....	.....	.....	.....
Other .....	.....	277	2,835	229	†142	.....	.....
	74,964	79,938	144,053	65,956	43,598	19,347	3,868
Application of Funds							
Purchase shs.	8,957	11,979	34,557	13,671	9,775	4,678	1,947
Increase fixed assets	33,680	38,134	21,077	15,383	9,966	2,368	446
Reduct. l.-t. debt	17,558	11,504	17,453	12,865	10,967	80	730
Def. dev. exps. ....	.....	.....	.....	.....	.....	2,201	1,526
Outside explor. ....	.....	.....	.....	2,707	2,556	1,238	1,097
Invest in assoc. cos. ....	.....	8,268	50,989	14,224	5,429	1,050	133
Debt guarantees & other	8,631	.....	.....	.....	.....	.....	.....
Int. in pet. prop. ....	.....	.....	9,874	12,190	5,744	1,929	1,276
Redeem. subsid. shs. ....	.....	992	842	166	378	.....	.....
Def. reorg. & financing exp.	1,537	1,812	2,128	.....	.....	.....	.....
Dividends pref. sh.	1,471	3,190	.....	.....	.....	.....	.....
Subsid. dividends	1,313	1,313	.....	.....	.....	.....	.....
Other	3,888	.....	.....	.....	.....	.....	.....
	77,035	77,192	136,920	71,206	44,815	13,544	7,155
Increase working capital	†2,071	2,746	7,133	†5,250	†1,217	5,803	†3,287

†Decrease. ▲Redeem shares.

Note—Accounts shown herein are for Campbell Resources Inc. (predecessor company) to June 12, 1983, and for Campbell Resources Inc. (new company following 1983 Reorganization) from June 13, 1983.

CONSOLIDATED BALANCE SHEET AS AT JUNE 30

	1985\$	1984	1983	1982	1981	1980	1979
	\$000's						
Assets							
Current:							
Cash & s.-t. invest.	946	5,777	10,067	1,938	8,003	1,385	836
Marketable secs.	4,944	.....	.....	.....	.....	.....	.....
Accounts rec.	18,305	27,262	19,880	14,152	11,707	3,657	1,813
Notes receivable	15,082	.....	.....	.....	.....	.....	.....
Due from affiliates	947	4,057	.....	.....	.....	.....	.....
Metals in process ....	.....	.....	\$5,099	\$5,217	\$5,688	\$5,233	\$3,921
Coal inventory	*	684	1,442	3,118	1,680	.....	.....
Share of unsold prod.	3,111	3,439	4,417	.....	.....	.....	.....
Supplies, deposits, etc.	1,972	4,376	4,491	4,632	5,258	5,502	1,460
Inc. taxes recov. ....	.....	.....	.....	1,196	.....	.....	.....
	45,307	45,595	45,396	30,253	32,336	15,777	8,030
Investments	8,137	30,252	30,016	28,131	12,323	8,539	8,105
Exploration funds	2,317	8,070	.....	.....	.....	.....	.....
Outside expl.	*	*	*	11,473	9,076	6,185	5,300
Preprod. & dev. exp.	*	*	*	*	*	4,348	7,393
Fixed assets:							
Metals and minerals	250,962	239,266	204,802	39,541	54,380	5,797	5,797
Coal	20,504	36,430	30,811	25,544	17,603	.....	.....
Petroleum & nat. gas ■	111,773	102,927	89,303	59,323	51,521	6,639	5,139
Bldgs., equip. etc.	*	*	*	*	*	20,413	18,451
Other	641	.....	.....	.....	.....	.....	.....
Less: Depr., depl. etc.	201,160	96,880	71,618	24,125	39,599	18,777	18,198
	182,720	281,743	253,298	100,283	83,905	14,072	11,189
Other assets	2,072	5,049	4,758	1,478	772	.....	.....
	240,553	370,709	333,468	171,618	138,412	48,921	40,017
Liabilities							
Current:							
Bank debt	14,432	6,890	4,895	3,978	3,041	*	.....
Accounts payable	8,283	13,276	19,783	18,840	16,790	5,899	3,366
Accruals	8,848	6,725	.....	.....	.....	.....	.....
Taxes & min. duties ....	.....	1,001	587	552	552	.....	.....
Current l.-t. debt	2,069	3,457	9,711	3,596	3,416	80	669
	33,632	31,349	34,976	26,966	23,799	5,979	4,035
Def. taxes & min. duties	13,749	39,610	39,033	5,206	5,386	4,043	1,389
Long-term debt	53,428	77,761	75,511	47,632	18,646	686	3,373
Minority interest	38,968	40,781	33,542	14,092	25,004	.....	.....
Flow-through share	4,380	15,700	.....	.....	.....	.....	.....
Shareholders' Equity							
Preference stock ....	.....	42,855	33,819	.....	.....	.....	.....
Common stock	94,108	107,757	84,240	51,656	6,298	4,483	4,483
Contributed surplus ....	.....	.....	.....	†	33,477	8,622	8,622
Currency trans. adj.	2,288	2,481	.....	.....	.....	.....	.....
Less: Pro rata int. ▲ ....	.....	1,650	.....	12,651	12,307	.....	.....
Add: Retained earnings ....	.....	14,065	32,347	38,717	38,109	25,108	18,115
	240,553	370,709	333,468	171,618	138,412	48,921	40,017
‡Estimated net realiz. val. ....	.....	.....	5,099	5,668	5,850	7,374	5,296
\$Pro forma accounts following capital reorganization effective Sept. 11, 1985.							
†Reclassified as part of ascribed value of capital stock; see Accounting Changes.							
■ Before accumulated depreciation and depletion in 1983-85; net of depreciation and depletion in prior years.							
*Not reported separately.							
▲ Company's pro rata interest in its own shares held by Ebex Resources Ltd. 1984; and Camchib Resources Inc. 1982-81.							
Note—Accounts shown herein are for Campbell Resources Inc. (predecessor company) to June 12, 1983, and for Campbell Resources Inc. (new company following 1983 Reorganization) from June 13, 1983.							
Working capital (\$000's)	11,675	14,246	10,420	3,287	8,537	9,798	3,995
Ratio	1.35—1	1.45—1	1.30—1	1.12—1	1.36—1	2.64—1	1.99—1

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
Years Ended June 30

	1985	1984	1983	1982	1981	1980	1979
	-\$000's						
Revenue:							
Metal sales		39,810	34,137	24,026	28,997	25,073	11,884
Coal sales	94,136	38,728	39,496	40,133	25,265		
Oil & gas sales		20,593	19,325	12,193	11,004	1,361	*834
Interest and other	1,398	1,822	4,502	2,841	2,422	541	299
Total revenue	95,534	100,953	97,460	79,193	67,688	26,975	13,017
Less: Metal mining exp.		22,890	15,757	20,868	20,031	14,080	8,768
Coal mining exp.	61,454	34,586	32,916	31,173	20,231		
Oil & gas exp.		5,007	4,745	3,962	3,382	272	
General and admin. exp.	7,167	8,004	9,415	5,558	3,873	1,662	633
Interest	11,691	10,305	12,272	6,920	4,311	308	
Net before deprec., etc.	15,222	20,161	22,355	10,712	15,860	10,653	3,616
Less: Deprec. & depl. (mining)		14,645	11,096	3,514	3,385	893	697
Deprec. & depl. (coal)	24,363	5,819	4,327	4,795	2,736		
Deprec. & depl. (oil & gas)		7,124	6,418	3,916	3,130	429	356
Amort. dev. costs						1,278	630
Exploration	5,503			311	627	369	100
Other	48,549	278					
Income taxes: Current	128	•493	218	•552	•320		
Deferred	•7,477	419	3,375	•180	1,554	4,153	520
Def. develop. w/o		1,220					
Minority interests	1,342	1,524	2,075	441	1,985		
Add: Gain, sale of invest.	\$5,176	1,648	7,211			5,931	
Equity earnings	■ 6,459	■ 4,047		1,713			
Net income, operations	d68,821	d12,774	2,057	180	2,763	9,462	1,313
Less: Extraord. item	39,451		1,049	•232	•10,422		
Net income	d108,272	d12,774	1,008	412	13,185	9,462	1,313
Add: Prev. retained earnings	14,065	32,347	38,717	38,109	25,108	18,115	16,802
Accounting adj.▲		365		424			
Less: Loss sale shs.†			596	228			
Pfce. sh. issue exps.			365				
Cancellation of shs.†			5,956				
Accounting adj.▲			461		184	2,469	
Stock div. com.		2,683					
Pfce. dividends	1,471	3,190					
Add: Reduction in stated capital*	95,678						
Retained earnings	0	14,065	32,347	38,717	38,109	25,108	18,115

*Net of operating expenses.

•Credit. ■ Subtract.

▲See Accounting Changes.

\$Loss on sale, investments.

▼See Changes in

Capital Stock, page 6.

†Company's share of loss incurred by subsidiary Camchib Resources Inc. on disposition of company shares.

†Allocation on cancellation of the company's pro rata interest in its own shares held by Camchib Resources Inc.

Note—Accounts shown herein are for Campbell Resources Inc. (predecessor company) to June 12, 1983, and for Campbell Resources Inc. (new company following 1983 Reorganization) from June 13, 1983.

Cash Flow (\$000's)	16,469	20,654	10,607	11,337	9,678	10,653	3,616
Per share*	\$0.67	\$1.64	\$0.99	\$1.47	\$1.54	\$2.38	\$0.81

*Based on number of shares outstanding at respective year-ends.

Earnings per Share:

Common: Earned†	d\$5.56	d\$1.39	\$0.24	\$0.03	\$0.64	\$2.17	\$0.30
Earned††	d8.59	d1.39	0.12	0.07	3.04	2.17	0.30

†Before (††after) extraordinary items.

•As reported by the company. Based on 13,001,000 shares in 1985 and after giving effect to the capital reorganization; 11,316,000 shares in 1984; 8,444,217 shares in 1983; 6,194,496 shares in 1982; 4,336,580 shares in 1981; 4,368,444 shares in 1978 to 1980; being the weighted number of shares outstanding during the year, less the pro-rata interest in its own shares held by Camchib Resources Inc. in 1981 and 1982; and Ebex Resources Ltd., in 1984.

Dividends Paid

Common	\$0.22 stk.						
Pfce. Series A*	1.25						
Pfce. Series 1	0.50	0.25					

*Adjusted to reflect 1-for-5 consolidation, Nov. 15, 1984.

Shares Outstanding as at June 30:

Common▲	†24,657,163	*12,561,435	10,666,433	*7,729,663	*6,297,763	4,483,017	4,483,017
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*Net of shares held by Camchib in 1981-1982; and Ebex in 1984.

▲Designated class A and class B, interconvertible, from Mar. 27, 1975 to July 14, 1980.

†After giving effect to capital reorganization, effective Sept. 11, 1985.

HISTORICAL SUMMARY■

Fiscal Year	Total Assets	Working Capital	Total Revenue	Oper. Income▲	Net Inc. Oper.	Earns. per Sh.	Shares Outstand. Common	Price Range High Low
	\$	\$	000's	\$	\$	\$		\$
1952 ..	2,120	137					2,687,010	†3.35
1953 ..	3,503	d416					3,000,000	4.60
1954 ..	7,202	d503					3,000,000	4.25
1955 ..	11,267	d1,840					3,000,500	22.25
1956 ..	13,870	917	13,492	9,678	6,927	2.29	3,029,958	28.75
1957 ..	14,063	3	10,744	2,945	795	0.26	3,030,258	13.50
1958 ..	19,248	d1,503	6,263	1,120	d1,249	d0.35	3,536,925	9.80
1959 ..	22,226	2,019	7,267	1,745	565	0.16	3,537,705	10.50
1960 ..	24,620	2,605	9,723	3,469	1,856	0.52	3,543,005	7.20
1961 ..	26,128	2,081	11,389	3,608	2,020	0.46	4,425,392	10.25
1962 ..	27,499	1,843	10,208	2,786	1,386	0.31	4,431,517	7.50
1963 ..	29,610	1,399	9,926	2,842	1,350	0.30	4,431,517	5.10
1964 ..	29,341	1,597	10,395	2,289	693	0.16	4,431,517	5.25
1965 ..	36,233	8,066	11,547	3,206	1,468	0.33	4,431,517	7.90
1966 ..	39,446	8,075	13,803	4,601	2,690	0.61	4,431,517	13.25
1967 ..	43,036	9,104	17,305	6,741	3,956	0.89	4,433,017	9.45
1968 ..	47,311	8,646	17,511	6,299	3,380	0.75	4,483,017	10.63
1969 ..	48,038	8,910	14,645	5,408	2,751	0.61	4,483,017	13.88
1970 ..	44,797	12,514	25,173	9,568	7,365	1.64	4,483,017	14.50
1971 ..	42,893	14,782	21,757	4,153	1,914	0.43	4,483,017	8.75
1972 ..	42,740	14,725	14,616	1,757	39	0.01	4,483,017	7.05
1973 ..	45,462	17,316	19,493	4,106	2,248	0.50	4,483,017	8.40
1974 ..	53,219	19,920	28,339	9,271	6,334	1.45	4,483,017	10.25
1975 ..	40,585	12,763	11,842	d1,334	d2,103	d0.48	4,483,017	4.45
1976 ..	39,901	11,877	2,154	d1,378	d1,132	d0.26	4,483,017	4.65
1977 ..	34,087	9,858	7,439	d75	d3,995	d0.91	4,483,017	4.75
1978 ..	33,278	7,282	8,131	445	d716	d0.16	4,483,017	7.75
1979 ..	40,017	3,995	13,017	3,616	1,313	0.30	4,483,017	12.50
1980 ..	48,921	9,798	26,975	10,653	9,462	2.17	4,483,017	18.50
1981 ..	138,412	8,537	67,688	15,860	2,763	0.64	6,297,763	20.39
1982 ..	171,618	3,287	79,193	10,712	180	0.03	7,729,663	11.00
1983 ..	333,468	10,420	97,460	22,355	2,057	0.24	10,666,433	*15.00
1984 ..	370,709	14,246	100,953	20,161	d12,774	d1.39	12,561,435	12.50
1985 ..	240,553	11,675	95,534	15,222	d68,821	d5.56	14,017,968	7.12

■ This Historical Summary is for Campbell Resources Inc. (predecessor company) up to and including June 12, 1983; and for Campbell Resources Inc. (new company following 1983 Reorganization) from June 13, 1983.

*Price Range for 1983 is for predecessor company Campbell Resources Inc. to June 10, 1983; Campbell Resources Inc. (new company) was listed June 13, 1983.

†Listed Mar. 31.

▲Metals operations only in 1973 and previously.

GM Resources Limited

The company was incorporated in British Columbia on June 7, 1950, as Giant Mascot Mines Limited. In 1950-51 the company acquired the assets of Hedley Mascot Gold Mines Ltd. (exchange basis 55 Giant Mascot shares for every 100 Hedley Mascot shares held) and of Silver Giant Mines Ltd. (exchange basis 104 Giant mascot shares for every 100 Silver Giant shares held). On Mar. 31, 1977, the company's name was changed to GM Resources Limited (exchange basis one new-for-four old shares).

On May 13, 1983, common shareholders received a stock dividend of one series 1 preference share for each six common shares held.

Under the 1983 Reorganization (see page 2) GM shareholders received one common share of Campbell Resources Inc. (new company) for each five GM common shares held and one series 1 preference share of Campbell Resources Inc. (new company) for each GM series 1 preference share held.

A Historical Summary for GM Resources Limited appears below.

Fiscal Year	Working Capital	HISTORICAL SUMMARY (As originally reported)					Divds. per Sh.	Shares Outstand.	Price Range	
		Invests.	Revenue● 000's	Net Inc. Oper.	Earns. per Sh.	High			Low	
	\$	\$	\$	\$	\$	Common Shares	\$	\$		
1961*	321		1,483	122	0.04	....	3,487,731	0.80	0.26	
1962 ..	494		2,202	87	0.03	....	3,487,731	1.10	0.65	
1963 ..	778	12	2,491	300	0.09	0.08	3,487,731	0.94	0.65	
1964 ..	814	12	2,325	304	0.09	0.08	3,487,731	1.83	0.75	
1965 ..	737	12	2,333	291	0.08	0.08	3,510,731	1.75	1.10	
1966 ..	272	501	2,392	362	0.08	±stk.	4,615,728	1.43	0.82	
1967 ..	796	501	3,454	816	....	....	4,639,728	1.60	0.98	
1968 ..	1,224	11	3,077	532	0.11	....	4,677,728	3.25	1.11	
1969 ..	1,602	11	3,470	557	0.12	....	4,693,728	4.10	2.00	
1970 ..	4,270	10,226	5,174	1,597	0.18	....	8,693,728	4.10	2.40	
1971▲	994	12,169	2,153	519	0.06	....	8,693,728	5.85	3.40	
1972 ..	1,331	12,295	4,829	704	0.08	....	8,693,728	6.20	4.50	
1973 ..	d875	13,432	4,203	d79	d0.01	....	8,693,728	5.45	1.55	
1974 ..	d2,733	14,305	3,108	d592	d0.07	....	8,693,728	2.65	0.38	
1975 ..	518	14,379	67	d625	d0.04	....	14,779,332	1.45	0.45	
1976 ..	d1,813	15,448	880	14	0.001	....	14,779,332	1.90	0.90	
1977 ..	d794	15,456	2,671	d23	†d0.004	....	†4,926,444	†6.50	†2.90	
1978 ..	d1,491	15,474	3,638	486	0.10	....	4,926,444	4.90	3.30	
1979 ..	d1,753	16,461	2,833	d135	d0.02	....	4,926,444	7.50	3.75	
1980 ..	2,471	16,837	2,458	d331	d0.06	....	6,176,444	8.75	5.38	
1981 ..	d1,955	10,255	2,778	d699	d0.11	....	6,176,444	7.10	2.75	
1982 ..	1,132	2,705	4,206	d385	d0.06	....	6,176,444	3.85	1.55	
1983■	d600	9,893	1,593	294	0.05	0.25	6,176,444	3.20	2.35	

*Seven months operations only. ▲Covers 4½ months' operations.

●net smelter returns in 1961-74; oil, gas and other revenue since.

±One share Giant Explorations Ltd. for each 10 shares Giant Mascot held.

†Reflects 1-for-4 consolidation March 31.

■ Three months ended Dec. 31, 1982. price range is for 1983 calendar year to June 10; following which name changed to Campbell Resources Inc. (new company). New Campbell Resources listed June 13.

Camchib Resources Inc.

The company was originally incorporated in Quebec on Nov. 27, 1953, as Chibougamau Smelter Inc. Its name was changed to Chibougamau Mining & Smelting Co. Inc. in 1954; to C.M. & S. Co. Inc.—C.M. & S. Mines Inc. in 1979; and to les Ressources Camchib Inc.—Camchib Resources Inc. (on a one-for-five exchange basis) on Oct. 30, 1980.

Effective Jan. 1, 1981, Camchib Resources Inc. amalgamated with Les Mines CCH (Quebec) Inc., a subsidiary of Campbell Resources Inc., to form a new company also known as Camchib Resources Inc.

Under the 1983 Reorganization (see page 2) Camchib shareholders received six common shares of Campbell Resources Inc. (new company) for each 10 Camchib shares held. Camchib warrant holders (warrants were outstanding to purchase 500,000 Camchib shares at \$7.50 per share to Dec. 31, 1983) received warrants to purchase 299,190 common shares of Campbell Resources Inc. (new company) at \$12.50 per share, also to Dec. 31, 1983. Camchib series A and B preferred shareholders received Campbell Resources Inc. (new company) series 2 and 3 preference shares in exchange for their holdings on a share-for-share basis.

A Historical Summary for Camchib Resources Inc. appears below.

Fiscal Year	HISTORICAL SUMMARY (As originally reported)								
	Total Assets	Investments		Working Capital	Revenue	Net Inc. Ops.	Earnings per Sh. Common Shares	Price Range▲	
		Cost	Mkt. 000's					High	Low
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1978 ..	2,428	1,470	1,727	23	....	....	....	2.50	0.90
1979 ..	2,402	1,475	2,238	2	....	....	....	4.25	1.70
1980 ..	2,463	1,462	4,416	45	59	30	0.03	9.75	3.50
1981 ..	46,116	10,783	13,754	2,832	15,558	738	0.24	9.75	4.00
1982 ..	61,673	19,717	8,618	5,157	25,566	d1,758	d0.27	7.00	3.75
1982* ..	59,387	19,902	15,229	1,245	9,553	d2,347	d0.34	7.00	3.75

▲Calendar years.

*Six months ended Dec. 31.

Note 1—Common stock data has been adjusted throughout to reflect 1-for-5 consolidation Oct. 30, 1980.

Note 2—In 1983, shares traded between a high of \$8.75 and a low of \$5.25 to June 10, when they were delisted. Warrants traded between \$2.11 and 90 cents to June 10, following which they became evidenced by warrants of Campbell Resources Inc. (new company).

United Asbestos Inc.

United Asbestos Inc. was formed in Quebec on June 28, 1973, as an amalgamation of United Asbestos Corporation Limited (share-for-share) and Allied Mining Corporation (share-for-share). Previously United Asbestos Corporation Limited had been incorporated in Quebec on Feb. 12, 1948. Allied Mining Corporation had been incorporated in Quebec on Jan. 12, 1950 as Quebec Chibougamau Goldfields and changed its name to Allied Mining Corporation on a one new-for-15 old exchange basis Aug. 27, 1969.

Under the 1983 Reorganization (see page 2) United Asbestos shareholders received three common shares of Campbell Resources Inc. (new company) for each 10 United Asbestos common shares held and one series 1 preference share of the new Campbell for each United Asbestos common share held.

A Historical Summary of the operations of United Asbestos Inc. appears below.

HISTORICAL SUMMARY (As originally stated in the company's annual reports for the respective years)

Fiscal Year	Working Capital	Revenue*	Net Inc. Oper. 000's	Earn. per Sh.	Divds. Pd.	Price Range● High — Low Common Shares —
	\$	\$	\$	\$	\$	\$
1960	1,601	494	371	0.083	0.10+	5.20 3.40
1961	1,041	648	195	0.041	5% stk. 0.10+	7.15 3.65
1962	1,021	553	162	0.033	5% stk.	6.25 3.70
1963	1,175	395	108	0.022	....	4.25 2.04
1964	1,675	454	203	0.041	....	3.35 2.00
1965▲	2,275	2,263	1,303	0.26	....	3.50 2.50
1966	2,592	2,487	1,514	0.31	....	4.65 2.45
1967	2,598	2,445	1,474	0.30	US0.07	9.00 2.55
1968	3,493	2,225	1,109	0.22	US0.07	11.00 5.60
1969	3,780	2,666	1,541	0.31	US0.07	9.50 4.15
1970	4,043	3,225	2,058	0.42	US0.07	5.00 2.85
1971	4,556	5,133	2,475	0.50	US0.07	6.00 3.60
1972	4,767	5,124	2,615	0.53	US0.07	5.15 3.35
1973†	4,643	1,203	493	0.07	....	5.15 3.35
1974	2,078	6,089	3,080	0.44	US0.07	4.15 2.00
1975	d21	8,643	5,525	0.78	US0.07	3.40 2.04
1976	d3,692	4,073	1,869	0.26	....	5.88 2.37
1977	d1,095	14,662	6,707	0.95	....	5.63 3.35
1978	d644	20,714	7,138	1.01	....	\$3.85 \$3.20
1979	d3,517	20,510	6,762	0.96	....	\$2.70 \$2.45
1980	10,384	26,581	9,271	1.31	....	6.63 2.45
1981	13,718	26,075	9,970	1.41	....	9.25 4.75
1982	14,210	24,554	7,719	1.09	....	13.25 6.00
1983■	11,453	12,642	2,754	0.39	....	8.50 5.25

●Price ranges are for calendar years in 1960-72; for previous calendar years in fiscal 1973-83. In 1983, shares traded between a high of \$8.50 and a low of \$5.25 to June 10, when they were delisted.

*Comprises the company's share of profits at Black Lake. †Three months ended Mar. 31.

▲Reflects change in accounting practice. ‡Suspended Mar. 2, 1977 to Dec. 20, 1978.

■ Nine months ended Dec. 31.

(This information is obtained from sources we believe to be reliable, but is not guaranteed)

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